Applicant: Steve Kakouros et al. Attorney's Docket No.: 10

Serial No.: 09/608,057 Filed: June 30, 2000

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Attorney's Docket No.: 10004812-1 Amendment dated Sep. 2, 2006 Reply to Office action dated June 2, 2005

Amendments to the Claims

The following Listing of Claims replaces all prior versions, and listings, of claims in the application.

Listing of Claims:

Claim 1 (currently amended): A machine-implemented inventory planning method, comprising computing an optimal safety stock level for a product to cover uncertainty in demand over an exposure period with a desired service level, wherein the computing comprises executing a safety stock calculation process that directly calculates the optimal safety stock level from a set of input parameter values including a value of based at least in part on a cost of obtaining the product from one or more spot market sources.

Claim 2 (previously presented): The method of claim 1, wherein the computing comprises:

determining a maximum safety stock level of the product to cover the uncertainty in demand over the exposure period with the desired service level with the product being supplied solely from one or more non-spot-market sources.

Claim 3 (previously presented): The method of claim 2, wherein the determining comprises determining the maximum safety stock level based in part upon a measure of lead time for obtaining the product from the one or more non-spot-market sources.

Claim 4 (previously presented): The method of claim 3, wherein the determining comprises determining the maximum safety stock level based in part upon a measure of lead time uncertainty associated with the obtaining of the product from the one or more non-spot-market sources.

Claim 5 (previously presented): The method of claim 4, wherein the determining comprises determining the maximum safety stock level based in part upon a measure of demand for the product.

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Claim 6 (previously presented): The method of claim 5, wherein the determining comprises determining the maximum safety stock level based in part upon a measure of demand uncertainty for the product.

Claim 7 (canceled)

Claim 8 (previously presented): The method of claim 2, wherein the computing comprises reducing the maximum safety stock level based on a total cost of covering the maximum safety stock level with a first amount of the product supplied from the one or more spot market sources and a second amount of the product supplied from the one or more non-spot-market sources.

Claim 9 (currently amended): A machine-implemented inventory planning method, comprising computing an optimal safety stock level for a product to cover uncertainty in demand over an exposure period with a desired service level based at least in part on a cost of obtaining the product from one or more spot market sources,

wherein the computing comprises reducing the maximum safety stock level based on a total cost of covering the maximum safety stock level with a first amount of the product supplied from the one or more spot market sources and a second amount of the product supplied from the one or more non-spot-market sources, The method of claim 8, wherein the computing comprises-iteratively reducing the second amount of the product from an initial amount equal to the maximum safety stock level, and determining the total cost.

Claims 10 and 11 (canceled)

Claim 12 (previously presented): The method of claim 9, wherein the computing comprises repeating the reducing of the second amount of the product and the determining of the total cost until the total cost is minimized.

Claim 13 (canceled)

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Claim 14 (previously presented): The method of claim 1, wherein the computing comprises performing a stochastic simulation of one or more random variables.

Claim 15 (previously presented): The method of claim 1, further comprising ordering the optimal safety stock level from the one or more non-spot-market sources.

Claim 16 (previously presented): The method of claim 15, further comprising ordering from the one or more spot market sources a product level needed to meet actual demand for the product above the optimal safety stock level and within the desired service level.

Claim 17 (previously presented): The method of claim 16, wherein the ordering from the one or more spot market sources comprises navigating a web site providing information relating to the one or more spot market sources.

Claim 18 (previously presented): The method of claim 1, wherein the computing comprises navigating a web site providing information relating to the one or more spot market sources.

Claim 19 (previously presented): The method of claim 18, wherein the computing comprises transmitting from the web site information relating to demand for the product and information relating to lead time for obtaining the product from one or more non-spot-market sources.

Claim 20 (previously presented): The method of claim 1, further comprising performing enterprise resource planning based upon the computed optimal safety stock level.

Claim 21 (previously presented): The method of claim 1, wherein the computing comprises minimizing a total cost of covering the uncertainty in demand over the exposure period with the desired service level with a first amount of the product supplied by the one or more spot market sources and a second amount of the product supplied by one or more non-spot-market sources.